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Sustainable Investing and Political Behavior



Florian Heeb

MIT Sloan School of Management

Julian F. Kölbel

University of St. Gallen, Swiss Finance Institute, and MIT Sloan School of Management

Stefano Ramelli

University of St. Gallen and Swiss Finance Institute

Anna Vasileva

University of Zurich

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Florian Heeb,[†] Julian F. Kölbel,[‡] Stefano Ramelli,[§] Anna Vasileva[¶]

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Abstract

A major concern regarding sustainable investing is that it may crowd out political support for government interventions targeting negative externalities. We test the validity of this concern in a preregistered experiment shortly before a real referendum on a climate law with a representative sample of the Swiss population ($N = 2,051$). We find that the opportunity to invest in a climate-conscious fund does not erode individuals' support for climate regulation. Our experimental results are consistent with actual voting and investing behavior across Switzerland. We conclude that the spillover effects of sustainable investing on individual political behavior are limited.

JEL Classification: D14, H42, G18, P16

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[†]MIT Sloan School of Management. Email: fheeb@mit.edu.

[‡]University of St. Gallen, Swiss Finance Institute, and MIT Sloan School of Management. Email: julian.koelbel@unisg.ch.

[§]University of St. Gallen and Swiss Finance Institute. Email: stefano.ramelli@unisg.ch.

[¶]University of Zurich. E-mail: anna.vasileva@bf.uzh.ch.

1 Introduction

Economists and public policy scholars generally agree on the merits of some form of government intervention to correct market failures such as negative climate externalities (e.g., Pigou, 1920; Coase, 1960; Nordhaus, 2019). However, the political difficulties of correcting market failures through public institutions have prompted citizens to increasingly pressure private institutions to also contribute to addressing societal challenges. Accordingly, many investors now expect their money to be managed in a way that promotes positive environmental and social change (e.g., Haber et al., 2022; Giglio et al., 2023).

Consequently, there is a growing academic interest in understanding the *real* impact of the “sustainable investing” phenomenon. Recent literature has examined the motivations for sustainable investing (Hartzmark and Sussman, 2019; Heeb et al., 2023) and the direct impact of sustainable investing on firm behavior (e.g., Berk and van Binsbergen, 2021; Broccardo et al., 2022; Edmans et al., 2022; Heath et al., 2023). An underexplored but potentially important aspect is the spillover effect of sustainable investing on political behavior and public policy outcomes.

This paper investigates the effect of sustainable investing on citizens’ political support for climate regulation. In particular, we address the concern that the option to invest sustainably may crowd out political support for government interventions that target negative externalities. Is sustainable investing a “dangerous placebo”, a treatment that is not only

ineffective but also distracts from more established cures, as some of its critics argue?¹ Based on current evidence, it is uncertain whether sustainable investing effectively reduces externalities.² If the growing availability of sustainable investing products comes at the expense of reduced political support for regulation aimed at reducing externalities, such as climate policy, then sustainable investing may be counterproductive. Consequently, it is critical to examine the spillover effects of sustainable investing on political behavior.

Economic reasoning suggests that sustainable investing may crowd out individual climate policy support through two main channels. First, people may perceive sustainable investment products as a more effective way to address societal problems than regulation; hence, they might rationally substitute their political support for climate regulation with sustainable investing (the “Rational Substitution” channel). Second, the perceived pro-social act of investing sustainably may liberate investors to behave less pro-socially in the political domain (Miller and Efron, 2010; Merritt et al., 2010); hence, investors might emotionally substitute the moral satisfaction of political support for climate regulation with the moral satisfaction

¹In recent years, the interpretation of sustainable investing as a “dangerous placebo” has been brought to the spotlight of the public attention by, for instance, Tariq Fancy, a former chief sustainable investing officer at BlackRock (e.g., Fancy, 2021). Edmans (2021) provides some early critical assessment of this claim.

²For example, Berk and van Binsbergen (2021) argue that changes in the cost of capital caused by sustainable investments are too small to affect corporate investment decisions. Berg et al. (2022) show that integrating environmental, social, and governmental (ESG) ratings affects portfolios and asset prices, but they do not observe material effects on corporate behavior. Elsewhere, Heath et al. (2023) conclude that ESG funds have little effect on corporate behavior. However, De Angelis et al. (2023) demonstrate that corporate greenhouse gas emissions decrease when the proportion of climate-conscious investors increases, and Akey and Appel (2020) show that hedge fund engagement on environmental issues can reduce emissions of harmful chemicals. Although Heeb and Kölbel (2023) note that engagement can lead to increased adoption of climate commitments, it remains to be seen whether this results in meaningful carbon emission reductions (Bolton and Kacperczyk, 2023).

of sustainable investing (the “Moral Licensing” channel).

However, economic theory also provides arguments as to why sustainable investing may strengthen individual political support for climate policy. From a rational perspective, people may consider sustainable investing a *complement to* rather than a *substitute for* formal regulation. After all, mixing public interventions and voluntary private actions may represent the most realistic strategy for addressing climate change (see, e.g., Huang and Kopytov, 2023; Pedersen, 2023). From a behavioral perspective, the literature emphasizes moral consistency (rather than licensing) as an important self-signaling tool for reinforcing individual identity (Akerlof and Kranton, 2000; Bodner and Prelec, 2003; Bénabou and Tirole, 2011; Gneezy et al., 2012).

Given these differing predictions, how sustainable investing affects political support for more ambitious climate policy remains an empirical question. This paper leverages a popular vote on a climate law in Switzerland held on June 18, 2023, to provide experimental evidence.³ We conducted a preregistered experiment with a representative sample of 2,051 Swiss citizens in the weeks before the vote to explore how the option to invest in a climate-conscious fund affects participants’ support for the climate law. The Swiss democratic system is ideal for our experimental strategy. Whereas in most countries, voters can only indirectly decide on specific policies through general elections, the Swiss electorate can directly vote on

³The legislation at stake in the 2023 Swiss climate referendum aimed to accelerate the country’s transition to renewable energies and achieve climate neutrality by 2050. See, for example, SWI SwissInfo.ch, “Swiss voters to decide on country’s energy transition,” April 13, 2023. The final result saw the approval of the climate law with 59.1% of the votes in favor and a 42% turnout; see for example, SWI SwissInfo.ch, “Swiss approve net-zero climate law,” June 18, 2023.

specific policy changes through single-issue public referendums.⁴ We measure policy support for advancing environmental regulation in terms of donations to the campaigns promoting and opposing the climate law.

In the first step (the “Investment stage”), we administer the treatment. Treated participants are given the option to invest in a climate fund. We ask all participants to allocate 1,000 CHF (1,100 USD) to either of two real investment funds. For the control group, we provide participants only with information on the standard financial characteristics of the two investment options. For the treatment group, we reveal that one of the two funds is a “climate fund” and provide information about the climate-related performance of the two funds. We make this decision consequential by randomly choosing 10 participants, investing 1,000 CHF in their selected fund, and paying out the resulting capital after one year.

In the second step (the “Political stage”), we measure our dependent variables. We provide participants with an overview of the upcoming climate referendum and a summary of the main arguments of the pro- and anti-climate-law campaigns. We then offer participants the opportunity to donate part of their payout to either of the two campaigns. Our primary dependent variable of climate policy support is the net donation in support of the climate law, with donations to the campaign against the climate law scaled negatively.

In the third step (the “Survey stage”), we assess respondents’ perceptions of the climate impact of the funds, their emotional response to their investment decision, and their financial

⁴Other researchers use the Swiss political system to study individual political behavior, for example, Bursztyn et al., 2023.

expectations regarding their investment options. We also collect political preferences and demographic characteristics.

Our treatment is highly salient: 76.9% of respondents in the treatment group choose the climate fund. In the control group, where respondents see only the financial information, only 30.2% choose the equivalent fund.

We find that the opportunity to invest in a climate fund does not erode individual political support for climate regulation. The average net donation to the pro-campaign made by the treatment group exceeds that made by the control group (35.1 CHF vs. 31.2 CHF). However, the observed difference is not statistically significant. We observe a similar positive (but not significant) treatment effect on the intention to vote for the climate law, and a marginally significant positive treatment effect on respondents' stated alignment with the pro-campaign. Given that climate policy support is consistently higher in the treatment group, the results speak against the hypothesis that sustainable investing crowds out policy support for environmental regulation.

We corroborate this main finding in several robustness checks. First, we investigate the treatment effect's cross-sectional heterogeneity. Our results hold for swing voters in the middle of the political spectrum, voters who believe they are pivotal, and participants who hold sustainable investment funds outside of the experiment. Second, we show that the experiment created the theoretical preconditions for a crowding-out effect: Respondents perceive investing in the climate fund as impactful, financially costly, and emotionally rewarding.

Third, we compare our experimental results to observational data from the field. We collect data on opinion polls, municipal voting outcomes, investment portfolios of Swiss retail investors, and individual political donations to the climate referendum pro-campaign and show that these data broadly align with the behavior observed in our experiment.

Our paper contributes to three streams of research. First, it links to the conceptual and theoretical literature on the interaction of formal regulation and private socially responsible actions such as corporate social responsibility (CSR). In a highly influential article, Friedman (1970) argues that “the social responsibility of business is to increase its profit.” According to Friedman, CSR is an inefficient approach to addressing negative externalities, harmful to both corporate profits and society at large: Elected politicians are better positioned to address political issues than corporate managers.⁵ Other scholars argue that when governments fall short in the provision of public goods and control of negative externalities, CSR can emerge endogenously as a welfare-improving strategy to overcome political failures (Besley and Ghatak, 2007; Bénabou and Tirole, 2010; Egorov and Harstad, 2017; Hart and Zingales, 2017). These two opposing views of CSR also influence the current debate on the “political economy” consequences of sustainable investing, with several recent studies insti-

⁵Similarly, according to Maxwell et al. (2000), CSR can take the form of the strategic self-regulation of firms to preempt more stringent political action, a view also empirically supported by Malhotra et al. (2019). Bertrand et al. (2020) find evidence consistent with the role of charitable giving, a form of CSR, as a means of corporate political influence. Bebchuk and Tallarita (2020) conceptually argue that stakeholder governance raises illusionary hopes around the positive effects for stakeholders, weakening pressures for stakeholder-oriented policy reforms. Chater and Loewenstein (2022) and Hagmann et al. (2023) argue that policy interventions targeting individual behavior lower support for systemic policy changes like taxes or mandates. Colonnelli et al. (2023) and Kim et al. (2023) study how CSR influences citizen support for legislative proposals.

gating inquiry into the strategic interactions between sustainable investing and government regulation in theoretical frameworks (Allen et al., 2023; Biais and Landier, 2022; Pedersen, 2023). However, whether or not sustainable investing crowds out regulation remains an empirical question. Our paper provides experimental evidence.⁶

Second, the paper contributes to the literature on pro-social investor behavior. Several contributions reveal that investors have a strong appetite for socially responsible investment products (e.g., Anderson and Robinson, 2022; Barber et al., 2021; Bauer et al., 2021; Bollen, 2007; Ceccarelli et al., 2024; Geczy et al., 2021; Hartzmark and Sussman, 2019), often driven by personal values and pro-social preferences (e.g., Hong and Kostovetsky, 2012; Riedl and Smeets, 2017). Recently, some contributions have started to address the question of whether sustainable investors are consequentialists who want to have a real societal impact through their investments or warm-glow optimizers who are content with feeling good about their decisions (Bonnenfon et al., 2022; Brodback et al., 2021; Heeb et al., 2023). The literature thus far has focused on the consequences of pro-social preferences for financial decision-making. Our paper extends this literature by considering the spillover effects of climate-conscious investing across the financial and political domains.

⁶While we are the first to study the effect of sustainable investing on climate policy support, a few contributions analyze the relationship between sustainable investing and charitable donations. Graff Zivin and Small (2005) develop a theoretical model that sees investments in responsible firms crowd out investors' philanthropic donations. Riedl and Smeets (2017) show that responsible investors donate more to charities than conventional investors, suggesting a complementary effect between responsible investments and charitable donations, while An et al. (2023) provides evidence consistent with a substitution effect. However, where this literature studies the relationship between two individual actions in response to societal problems (sustainable investing and charitable giving), our paper studies the impact of individual action (sustainable investing) on the likelihood of collective action (climate regulation).

Finally, the paper links to the political economy literature on the drivers of individual support for climate policies (see Drews and Van den Bergh, 2016 for a review of the earlier literature). Dechezleprêtre et al. (2022) show that citizen support for different climate policy tools depends on effectiveness, inequality, and self-interest considerations. In a theoretical contribution, Besley and Persson (2023) study the effect of interactions between political and market failures on the energy transition. Financial asset holdings can potentially strongly impact political choices, as Jha and Shayo (2019) show in the context of attitudes toward conflicts. Our paper represents the first to investigate the causal effects of the availability of investment products “privately” addressing climate change on individual attitudes toward climate policy.

2 Experimental Design

Prior studies document a positive correlation between sustainable investing and pro-environmental political behavior (e.g., Hong and Kostovetsky, 2012; Riedl and Smeets, 2017; Giglio et al., 2023). However, this correlation does not exclude the possibility that sustainable investing may crowd out individual pro-environmental policy support. After all, both behaviors are largely driven by personal beliefs and moral values. Even if there is a correlation between sustainable investing and political support for environmental policy, it is possible that political support would be even higher in the absence of sustainable investing. With political engagement and sustainable investing, individuals face alternative and potentially competing

options to act upon their preferences and beliefs. Accordingly, we run an experiment specifically designed to switch on and off the availability of sustainable investing. The experiment is preregistered⁷ and set in the context of a real political decision to ensure a high level of external validity.

2.1 Political context

The Swiss political context is crucial for our experimental strategy. In most countries, political votes only indirectly relate to climate change. For example, although climate policy was particularly salient in the 2016 and 2020 U.S. elections (as studied, for instance, through the lens of financial markets in Ramelli et al., 2021), other political issues were at play. Conversely, the Swiss electorate regularly expresses their preferences on specific matters, including climate policy, through single-issue public referendums that do not usually overlap with general elections.⁸ This provides a setting in which we can observe the effect of sustainable investing on an actual climate-related political decision.

In 2017, Switzerland joined the Paris Agreement, a global commitment to reducing greenhouse gas emissions. In June 2021, the revision and continuation of an existing climate law—intended to implement Switzerland’s commitments under the Paris Agreement—failed

⁷The preregistration is available at https://aspredicted.org/blind.php?x=VW5_B33.

⁸For a brief overview of the peculiarities of Switzerland’s direct democracy, see <https://www.swissinfo.ch/eng/politics/direct-democracy/47697554>. Of course, other examples of climate-related referendums exist. For instance, in a 2010 referendum, 62% of California’s citizens voted in favor of the state’s main climate change legislation (Global Warming Solutions Act), which had been passed in 2006. The State of Washington held carbon tax referendums in 2016 and 2018, known as Initiative 732 and Initiative 1631.

in a popular referendum.⁹ A renewed attempt to translate commitments under the Paris Agreement into Swiss law was launched by the “Glacier Initiative,” which resulted in another popular referendum on the “Federal Act on Climate Protection Goals, Innovation and Strengthening Energy Security” on June 18, 2023. The public vote on this latter law is the subject of our study; we refer to it for simplicity as the climate law.

The 2023 climate law¹⁰ contains several measures with the overall goal of ensuring that the impact of human-caused greenhouse gas emissions in Switzerland is zero by 2050. Measures include the reduction of greenhouse gas emissions and application of negative emission technologies, adaptation to and protection from the impacts of climate change, targeting financial flows toward low-emission and climate-change-resilient development, and replacing fossil-fuelled heating systems with heat generation from renewable energies.

Before the 2023 referendum, two political committees were established and launched extensive campaigns for and against the climate law. Both campaigns maintained a strong public presence, with the upcoming vote intensely debated in Swiss media.¹¹ Figure 1 features snapshots of the two campaign websites, which advertise the law’s pros and cons and raise funds to support the campaigns. Advertisements with these themes were prominent on billboards all over Switzerland and on social media during the survey period.

⁹See, for example, SWI SwissInfo.ch, “Swiss CO2 law defeated at the ballot box,” June 13, 2021.

¹⁰The original document in German is available at <https://www.admin.ch/gov/de/start/dokumentation/abstimmungen/20230618/klimagesetz.html>.

¹¹For instance, according to Dow Jones Factiva data, in May 2023, around 1,400 articles published in Swiss newspapers covered the topic of climate change, twice the monthly average of around 700 articles over the previous 12 months.

– Figure 1 –

Several indicators suggest the contested nature of the referendum’s outcome. First, the prior attempt at passing a climate law in 2021 failed narrowly, despite polls predicting its passage, with 51.59% of votes against it. Second, official polls on behalf of the Swiss Broadcasting Corporation registered a decline of voters in favor of the climate law from 72% in mid-May 2023 to 63% in early June 2023 (GFS.Bern, 2023a,b). Third, poll respondents themselves expected the law to pass with only 52% of votes on average. In other words, anyone who cared about the outcome of the referendum had a strong motive to vote.

Eventually, 59.1% of Swiss voters approved the climate law, with a 42% turnout. Our experiment took place in the weeks before the vote, when campaigns were highly active, and citizens were forming their views.

2.2 Procedures

The experiment comprises three steps: an incentivized investment decision (Investment Stage), a political decision related to the upcoming Swiss climate referendum (Political Stage), and a survey of participant perceptions and preferences (Survey Stage).

2.2.1 Investment Stage

We administer the treatment in the Investment Stage. All participants choose between the same two investment funds, Fund A and Fund B. We ask participants to allocate 1,000 CHF

(1,100 USD) to one of the two investment funds. Only participants in the treatment group receive the information that one of the funds is a climate-conscious fund.

We use two real investment funds to source the information displayed: the iShares MSCI World ETF and its climate-conscious version, the iShares MSCI World Paris-Aligned Climate ETF.¹² We offer the same funds, Fund A and Fund B, to the treatment and control groups, randomizing their positioning on the screen and the color in which the price chart is presented to avoid ordering effects.

For both the control and treatment groups, we provide participants with standard information on the financial characteristics of the two funds, namely, the category, volume, fees, risk class, and past returns. This resembles the information commonly reported in fund descriptions. While the financial characteristics of the funds are very similar, the climate fund's past performance is inferior (-10.44% rather than -8.08% over 12 months, based on actual past performance). The real names of the funds and any other climate-related characteristics remain hidden in the control group. Figure A1 in the Appendix shows the fact sheets for each fund as presented to the control group.

In the treatment group, we reveal the fund names and provide respondents with additional information on each fund's climate-related performance. Participants see that one of the two funds is a climate-conscious fund ("Climate fund") aligned with the Paris Agreement's

¹²Details about the two funds are available at <https://www.ishares.com/ch/individual/en/products/251882/?switchLocale=Y> and <https://www.ishares.com/ch/professionals/en/products/318383/ishares-msci-world-paris-aligned-climate-ucits-etf>.

goal of limiting global warming to below 1.5 degrees Celsius. We base the climate-related information on the actual sustainability characteristics of the funds disclosed by MSCI on the basis of its carbon footprint and “Implied Temperature Rise” methodology. Figure A2 in the Appendix shows the fact sheets for each fund as presented to the treatment group.

Hence, our experimental design contrasts a setting where participants can express their climate-consciousness in the form of an investment decision with a setting in which they can not. We test whether climate policy support differs between these two settings. Importantly, we make the investment decision consequential by informing participants that we will implement the decisions of ten randomly selected participants and pay them the resulting capital after one year. Thus, to the extent that participants believe investing in a climate fund has consequences, it is possible that they will realize these consequences.

2.2.2 Political Stage

In the Political Stage, participants can engage politically in the context of the upcoming vote on the climate law. First, we introduce the legislative proposal based on the official description provided to voters by the Swiss government. Then, we outline the main arguments of the pro- and anti-campaigns using language provided by the websites of the two campaigns. We randomize whether participants see the arguments of the pro- or the anti-campaign first. We then ask the respondents to indicate which of the campaigns aligns most with their views. Depending on the answer, we give participants the opportunity to donate up to 250

CHF (275 USD) to the selected campaign.¹³ For the ten randomly selected participants, we implement the chosen donation immediately and deduct the amount donated from their future payout. Participants are informed about the consequences of their choice.

The decisions in the Political Stage of our experiment are also consequential. Donations are essential for financing referendum campaigns. Because the survey closed one month before the actual vote, participants can reasonably expect their donation to influence voter opinion, voter mobilization, and, ultimately, the outcome of the vote.

Our main outcome variable is the net donation to the pro-campaign, with donations to the pro-campaign scaled positively and donations to the anti-campaign scaled negatively (*Net pro-campaign donation*). As secondary outcome variables, we elicit participants' stated alignment with either of the campaigns on a 6-point Likert scale (*Pro-campaign alignment*) and voting intentions at the referendum on a 7-point Likert scale (*Voting intention*).

2.2.3 Survey Stage

In the Survey Stage, we assess participant perceptions of the impact of the climate fund. To do so, we ask participants in the treatment group whether they think an investment in the climate fund is making a relevant contribution to climate protection (*Expected impact climate fund*; responses given on a 7-point Likert scale). The survey question regarding the perceived impact of the climate fund reads: “*How strongly do you agree with the following*

¹³This range covers the amounts most commonly donated. The campaign homepages themselves suggest donations of 10, 50, and 100 CHF.

statement? Investing in Fund A [iShares MSCI World Paris-Aligned Climate ETF fund] makes a relevant contribution to climate protection.” In addition, we assess respondents’ emotional responses to the investment decision and their financial expectations regarding the investment options. We also collect data on demographics and political preferences. The detailed questions appear in Table A1.

2.3 Sample

We recruited a representative sample of the Swiss electorate with the support of an independent Swiss survey agency (Intervista). Data collection took place between May 5 and May 18, 2023, in the middle of the campaigning phase, and closed one week before voters received their ballots. We administered the survey in the three major Swiss languages (German, French, and Italian). We collected 2,051 complete responses.¹⁴ Table 1 shows the sample’s demographic characteristics. The control and treatment groups are well-balanced in terms of demographics and political preferences.

– Table 1 –

¹⁴In the preregistration, we stated that we would collect 2,000 responses. The survey agency collected 2,051 responses to ensure a representative sample, and we consider all responses in our analysis. Our results also hold if we restrict the sample to the first 2,000 responses.

3 Results

This section presents the experiment's main results. First, we provide evidence that the treatment was salient and triggered substantial demand for sustainable investing. Second, we present the main results for the treatment's effect on climate policy support.

3.1 Demand for sustainable investments

Figure 2 shows the fraction of respondents who invested in the climate fund in the treatment and the control groups. The climate-related information treatment strongly shifted investor demand from the conventional to the climate fund. In the treatment group, 76.9% of the respondents opted for the climate fund, compared to only 30.2% in the control group, where participants did not receive any climate-related information.

– Figure 2 –

The treatment increased demand for the climate fund by a factor of 2.5, confirming that information about a fund's sustainability characteristics strongly affects investment allocations. This strong change in investment behavior confirms the salience of our treatment.

3.2 Treatment effect on climate policy support

Figure 3 and Table 2 show the main result for the causal effect of sustainable investing on climate policy support. We find that the opportunity to invest in a climate-conscious fund

did not crowd out participant support for climate regulation. Our main outcome variable is the net donation to the pro-climate-regulation campaign (*Net pro-campaign donation*).¹⁵ On average, participants in the treatment group donated 35.1 CHF (38.5 USD), while participants in the control group donated 31.2 CHF (34.3 USD). Although treatment participants donated more, the positive difference is not statistically significant (Mann–Whitney U test, $p = 0.285$). Regarding the share of participants who donated, 34.1% of participants in the treatment group donated to the pro-campaign versus 33.1% in the control group. The difference between these values is not significant (Mann–Whitney U test, $p = 0.639$). Meanwhile, 9.4% of participants in the treatment group donated to the anti-campaign versus 11.9% in the control group, a difference that is significant at the 10% level (Mann–Whitney U test, $p = 0.062$).

We obtain similar inferences when employing two alternative measures of climate policy support (see Panels (b) and (c) in Figure 3). For participants' stated alignment with the pro-campaign (*Pro-campaign alignment*), we observe a positive treatment effect statistically significant at the 10% level (Mann–Whitney U test, $p = 0.079$). Turning to participant voting intentions (*Voting intention*), individuals in the treatment group are more likely to state an intention to vote for the climate law. However, the difference to the control group is not significant (Mann–Whitney U test, $p = 0.142$).

¹⁵As noted in the preregistration, we use a net measure of donations, scaling pro-regulation campaign donations as positive and anti-regulation campaign donations as negative. Separate results for pro-regulation campaign donations and anti-regulation campaign donations appear in Figure A3 and Figure A4

– Figure 3 –

– Table 2 –

Table A2 in the Appendix reports the results of OLS regressions of our climate policy support measures on the treatment indicator. Here, we also control for political preferences and demographic characteristics, namely, age, gender, education, income, net worth, urban residency, and linguistic region. Unsurprisingly, given the successful randomization, the results of the OLS regressions confirm those of the non-parametric tests.

Overall, based on a representative sample of the Swiss population shortly before an important real referendum on climate policy, our experiment indicates that the opportunity to invest in a climate-conscious manner has a neutral effect on individual political support for climate regulation. Importantly, the results are inconsistent with the hypothesis that sustainable investing crowds out political support for climate regulation.

4 Robustness

We corroborate our main finding via several robustness checks. First, we confirm that there is also no crowding-out effect in several subgroups. Second, zooming in on behavior in the treatment group, we find that theoretical prerequisites for a potential crowding-out effect are present in our experiment. Third, we show that the investment behavior and political donations observed in our experiment broadly align with the behavior observed in the field.

Finally, we comment on potential alternative interpretations of our results.

4.1 Treatment heterogeneity and subgroup effects

While we do not find evidence that climate-conscious investing crowds out individual political support for climate regulation at the level of our full sample, heterogeneous treatment effects could mask a crowding-out mechanism on potentially important subgroups. However, Table 3 shows that we do not find any indications of crowding out even when splitting our sample according to political preferences, respondent expectations regarding the outcome of the climate referendum, or past sustainable investing activities.

– Table 3 –

First, we find no evidence of a crowding-out effect among critical swing voters. There is a potential concern that although sustainable investing does not crowd out political support for the average voter, it could still crowd out swing voters who do not hold strong political views regarding climate policy. This sub-group effect can be decisive for political outcomes where a vote is closely contested, rendering swing voters pivotal. We elicit political leanings using a 7-point Likert scale and combine the lower three options to generate the dummy variable *Politics: left* and the upper three options for *Politics: right*. The middle option represents swing voters. In line with intuition, support for the climate law relates positively to a left-wing political affiliation and negatively to a right-wing political affiliation.¹⁶ However, as

¹⁶See Table A3. Similarly, Table A4 confirms the strong role of political preferences in driving sustainable

Table 3 shows, we observe no significant difference in net pro-campaign donations between the treatment and control groups for any of the political subgroups.

Second, we also find no indication of a crowding-out effect among voters uncertain about the outcome and, thus, potentially more inclined to engage politically. It is possible that respondents who are very certain that the climate referendum will be accepted (or declined) may be less likely to engage politically because they feel that their contribution is unlikely to make a difference. Thus, if a large proportion of respondents in our sample is certain about the outcome, this may mask a potential crowding-out effect on respondents who are uncertain about the outcome. We elicit respondent expectations of the referendum's outcome using a 7-point Likert scale capturing the range from certain acceptance to certain rejection. We classify the middle three options as *Uncertain* and the remaining options as *Certain*. As Table 3 shows, most respondents are rather uncertain about the outcome of the referendum. Meanwhile, we find a (non-significant) positive treatment effect on net-pro-campaign donations for both certain and uncertain respondents, ruling out a substantial crowding-out effect on uncertain respondents.

Third, we provide evidence suggesting that differences in respondent inclinations toward sustainable investments do not mask a potential crowding-out effect on participants who choose to invest in the climate fund. On average, these participants donate much more to the pro-campaign than respondents who do not choose the climate fund, as shown in

investment decisions, in line with basic intuition and the extant literature.

Table 5. However, it is conceivable that they would have donated even more if they had not received the treatment. If, at the same time, the treatment had a substantial positive effect on net pro-campaign donations for participants who did not choose the climate fund, such a subgroup crowding-out effect may remain hidden in the aggregate results we report. We cannot test for this possibility directly because we have no experimental control over the decision to invest.¹⁷ However, we can compare participants who report that they have previously invested in sustainable investment products to ones who report they have not done so. In both groups, the average net pro-campaign donations are non-significantly larger in the treatment group (Table 3). In addition, as already discussed, we do not find any indication of a crowding-out effect for the subgroup of left-wing participants, who are more likely to select the climate fund than other participants (see also Table A4). Among this subgroup, 86.0% select the climate fund. Taken together, these results are inconsistent with a strong crowding out effect on the subgroup of climate-conscious investors.

4.2 Prerequisites for a potential crowding-out effect

An important question concerns whether our experimental setting creates the necessary conditions for crowding out to occur—if it were to exist. In the following, we show that those conditions were present for both the “Rational Substitution” channel and the “Moral

¹⁷When considering the act of investing in the climate fund as the treatment rather than the option to do so, our experiment features an encouraging design. Taking this view, the reported results correspond to “intention to treat” effects. Our design intentionally focuses on the population-level effect of the option to invest rather than the effect of investing on those who choose to invest, as the former is relevant for aggregate political outcomes.

Licensing” channel.

First, we show that respondents perceive the climate fund to have a positive impact. On average, respondents in the treatment group agree with the statement that investing in the climate fund makes a meaningful contribution to climate protection. This is true for the whole treatment group and even more so for the subset of respondents who chose the climate fund (see Table 4). This provides the preconditions for the “Rational Substitution” channel, in which respondents believe sustainable investing has an impact and thus can substitute for regulatory intervention.

Second, we find that respondents perceived the option to invest in the climate fund as economically costly yet emotionally rewarding. As Table 4 shows, respondents in the treatment group perceive the climate fund as slightly riskier and expect lower returns than the conventional fund. For respondents who chose the climate fund, we observe no significant differences in risk expectations between the two funds. However, on average, respondents in this subgroup expect lower returns from the climate fund. This implies that the average respondent who chose the climate fund considered it the less financially attractive choice. Regarding emotions, respondents in the treatment group reported, on average, a substantial level of positive emotions associated with investing in the climate fund—especially those who chose the climate fund. This indicates that participants in the treatment group experience a warm glow when investing sustainably. Taken together, the perceived costliness and the experienced emotional benefit indicate that, in the treatment group, the investment

decision had the characteristics of a costly yet emotionally rewarding moral act, aligning with prior research (Riedl and Smeets, 2017). This means that our setting provides the key preconditions for a potential “Moral Licensing” channel.

– Table 4 –

In the following, we focus on the behavior of participants in the treatment group who decided to invest in the climate fund. Table 5 shows that climate policy support is markedly stronger among those participants in the treatment group who chose the climate fund. Although this can only be interpreted as a correlation, it is consistent with the idea that participants express their underlying preference for climate action in both investment and political contexts.

– Table 5 –

In Table 6, we relate participant expectations about the climate fund and their support for climate regulation. We observe no clear relationship between net pro-campaign donations and the risk and return expectations of the climate fund. The relationship between the return expectations associated with the climate fund and the two alternative measures of climate policy support (*Pro-campaign alignment* and *Voting intention*) is negative and statistically significant. We interpret this result as confirmation that those investors who see the climate fund as more costly tend to be more supportive of climate regulation. These findings also

provide evidence that the donations of respondents who chose the climate fund are unlikely to be driven by a perceived positive wealth effect triggered by their investment decisions.

Regarding emotions, we find that the more positive emotions these respondents associate with their investment, the more they donate to the pro-campaign. This runs exactly contrary to what we would expect in the “Moral Licensing” channel, where voters trade-off between different emotionally rewarding actions.

Furthermore, we find that among respondents who chose the climate fund, believing that the climate fund delivers larger climate protection benefits is associated with a higher level of climate policy support. This speaks against a “Rational Substitution” channel: If these respondents were indeed to perceive investments in the climate fund to be a substitute for climate policy support, we should expect the effect to be stronger (i.e., more negative) the more they perceived the climate fund to be impactful.

– Table 6 –

4.3 Comparison with field data

A common concern about experimental surveys like ours is their external validity (e.g., Findley et al., 2021; Stantcheva, 2023). In this section, we compare our experimental data to observational data from the field. We present observational data on voting outcomes, investment behavior, and political donations that are broadly consistent with the behavior observed in our experiment.

First, our measures of climate policy support align well with the voting outcome and opinion polls. In the experiment, 73% of respondents stated that they intend to vote for the climate law¹⁸. Opinion polls surveying voting intentions measured 74% in favor of the climate law shortly before our data collection period and 64% afterward (GFS.Bern, 2023a,b). In the actual vote on June 18, 2023, about three weeks later, 59.1% of Swiss citizens voted yes for the climate law. This shows that our sample closely tracks the national polling average and is in line with the election results. Considering geographical variation, the real voting outcomes across cantons correlate positively and statistically significantly ($p < 0.05$) with cantonal shares of respondents who indicated an intention to vote for the climate law in our experiment, as Figure 4 Panel (a) shows.

– Figure 4 –

Second, we find that the pro-campaign donations observed in our experiment are largely consistent with donation behavior in the field. To compare donation behavior, we obtained anonymous records of real-world donations to the pro-campaign from March 17 to June 18, 2023, the full period of the donation collection done by the pro-campaign.¹⁹ The first observation is that most observed donations (*Real donation*) are within the 250 CHF limit imposed in the experiment: 96% of all donations are smaller or equal to CHF 250. This indicates that the experimental setting did not substantially censor participants' willingness

¹⁸This share does not consider respondents who were undecided or did not disclose their voting intentions.

¹⁹We thank Sophie Fürst and Marcel Hänggi from the Swiss Association of Climate Protection (Verein Klimaschutz Schweiz) for kindly sharing this data with us. We obtain similar results when employing only donations made over the time frame of our experiment, from May 4 to May 18, 2023.

to donate. The median donation in the experiment is CHF 100, whereas the median donation in the observational data is CHF 50.²⁰ Considering geographical variation, Panel (c) in Figure 4 illustrates a positive and statistically significant ($p < 0.05$) relationship between the survey and the real-world variation in donations at the cantonal level.

Third, we show that the investment decisions observed in our experiment correspond well to investment behavior in the field. For an observational measure of investment behavior, we rely on account-level administrative data obtained from Raiffeisen Switzerland, a leading Swiss retail bank serving 3.6 million clients across Switzerland. The data comprise 112,837 unique investment accounts as of April 30, 2023. We compute the variable *Sustainable investing share* as the percentage of assets invested in financial instruments, for example, stocks or funds, that are flagged as “sustainable” by Raiffeisen. A detailed description and summary statistics of this data appear in Table A5. The average value of *Sustainable investing share* is 45.3%. Although the sustainable investment definition is not identical to the definition used in our experiment, the administrative data indicate that choosing an investment labeled as sustainable is common among Swiss retail investors. The fraction of our respondents choosing the climate fund in the treatment group is 76.9%, while 30.2% of control group respondents chose this fund without any awareness of its climate credentials. Comparing real and experimental data at the cantonal level, we observe a positive (although

²⁰A higher willingness to donate in the experiment is not surprising, given that participants are endowed with a budget. However, given that respondents can donate both for and against the law, we do not expect this to result in a directional bias.

not statistically significant, $p = 0.29$) relationship between real-life and survey sustainable investing behavior at the cantonal level (see Figure 4, Panel (b)).²¹

Finally, both in our experiment and in the field, we find a positive correlation between sustainable investing and support for the climate law. Table A6 shows a regression analysis of the relation between sustainable investing and political behavior based on observational data. Using municipal results of the vote on the climate law across 1,911 municipalities, we find a positive and significant correlation between the share of pro-climate-law votes and the municipality-level mean *Sustainable investing share*. This relation holds when controlling for age, wealth, and gender. We find the same in our experiment: Those participants who decided to invest in the climate fund also supported the climate law (see Figure 5). Our experiment allows us to move beyond this correlation to test the causal effect of sustainable investing on political behavior.

4.4 Alternative interpretations

Finally, we attenuate several concerns about alternative interpretations of our results. First, participants may increase their political support for climate regulation following investment in a green fund, that is, if they are more financially exposed to firms that stand to gain from tighter climate policies. Although we find this potential “skin in the game” effect interesting,

²¹We recognize that Raiffeisen’s clients may not be representative of the Swiss electorate. Also, in our experiment, respondents face a binary choice; in reality, people may allocate a fraction of their investments to sustainable funds.

it is unlikely to play a significant role in our setting. We intentionally chose a global (instead of a Swiss) equity portfolio for our climate fund because its constituents are unlikely to be substantially affected by Swiss climate legislation. Furthermore, the financial consequences of the law on participants as consumers and taxpayers in Switzerland are far greater than potential investment gains due to a green tilt of their investment in the experiment.

Second, regarding potential concerns that the opportunity to invest in a climate fund might make climate change politics more salient in the treatment group, we believe such a potential differential priming effect to be small. First, all participants receive a description of the proposed climate law and the arguments for or against it before the donation decision. This means that the treatment and control groups are both intentionally primed with the climate change topic. Second, our experiment took place during an intense campaign phase that increased the salience of climate change within the public discourse.

Third, our results might be subject to the common concern in social science experiments of influence from an “experimenter demand” effect. Several elements mitigate this concern in our setting. First, De Quidt et al. (2018) indicates limited quantitative importance of experimenter demand effects in representative and anonymous online panels like ours. Second, demand effects are known to be lower when real money is at stake (Haaland et al., 2023; Stantcheva, 2023). In our experiments, we have two types of incentivized outcomes: the investment decision and the donation to a real political campaign. Thus, the consequential nature of our outcome variable likely acts as a counterweight to any potential willingness

of respondents to please experimenters. Finally, as suggested in Haaland et al. (2023) and Stantcheva (2023), we compare our survey outcomes to actual outcomes from the field, demonstrating broad consistency (see Section 4.3).

5 Conclusion

Some observers argue that sustainable investing crowds out individual support for policy-driven solutions to societal challenges and that, as such, it is counterproductive from a welfare point of view. Others see sustainable investing as a valuable complement that does not reduce—and potentially even increases—individual support for sustainability-related public policies.

In this paper, we explore which of these competing views of sustainable investing better describes individual behavior using a preregistered experiment exploiting a real-world climate policy referendum in Switzerland. We find that the opportunity to invest in a climate-conscious fund does not crowd out individual climate policy support. This holds also for explicitly costly efforts to advance formal climate policy, such as campaign donations.

Our results have important practical implications. One of the most powerful criticisms against sustainable investing is that it not only has little direct environmental and social impact but also distracts societies from adopting harder-to-implement political solutions to societal problems. Our experiment suggests that this narrative fails to describe actual individual behavior. Of course, the likelihood of advancing climate regulation also depends

on how sustainable finance is perceived by policymakers and regulators, whether as a call for action or an outsourcing of their responsibilities. Our findings suggest that, on average, voters do not consider sustainable investing a substitute for political action.

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Figures

Figure 1: Switzerland's pro- and anti-climate-law 2023 referendum campaigns

The panel on the left is the slogan of the pro-climate-law campaign, which translates to “*Protect what is important to us. Vote Yes.*” The panel on the right is the slogan of the anti-climate-law campaign, which translates to “*Exacerbate the energy crisis? No to the electricity-eater-law.*” Both campaign web pages prominently feature a “donate” button.



The banner features a background image of a mountain range with a glacier. Overlaid on the image are three horizontal banners: a top orange banner with the text "Schützen, was", a middle orange banner with "uns wichtig ist.", and a bottom blue banner with "Jetzt abstimmen!". Below the banners is the "JA" logo, where the "A" is formed by two triangles, one blue and one orange. A small blue "Spenden" button is located to the right of the logo.

<https://klimaschutzgesetz-ja.ch/>



The banner features a background image of a person's hand holding a pen over a document. The text is arranged as follows: "Energie-Krise verschärfen?" in white, "NEIN zum Stromfresser-Gesetz!" in large yellow and white letters, "Spenden" in yellow, and a paragraph of white text: "Ein Referendum kostet Geld. Bitte unterstützen Sie uns finanziell, damit wir diese Initiative erfolgreich einreichen können!". At the bottom is a yellow "Jetzt spenden" button.

<https://stromfresser-gesetz-nein.ch/>

Figure 2: Salience of the treatment

This graph shows the fraction of respondents choosing the climate fund in the control and treatment groups. Only participants in the treatment group received climate-related information about the two funds. The bars indicate 95% confidence intervals.

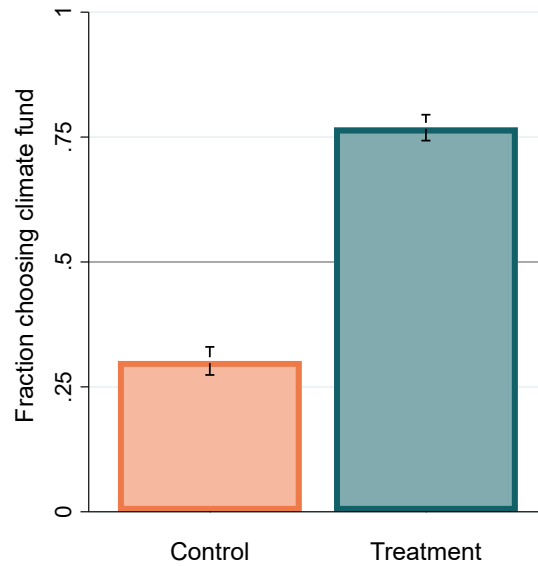
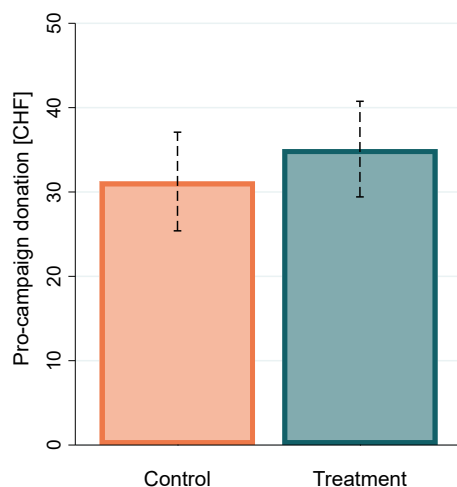
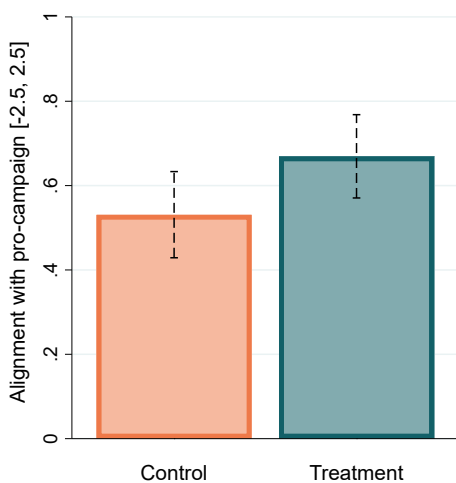


Figure 3: Climate policy support in the treatment and control groups

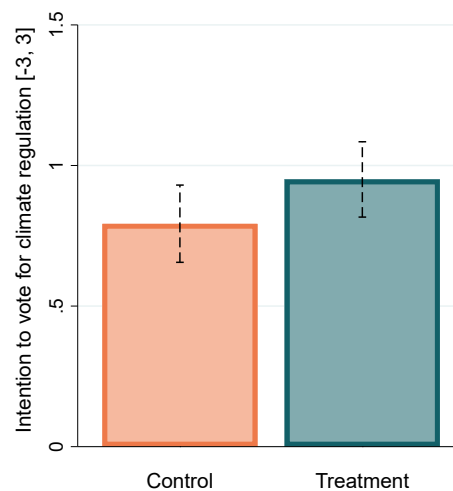
These figures show the effect of our sustainable investing treatment on individual climate policy support. Panel (a) shows the average net pro-campaign donation (treating donations to the anti-campaign as negative) in CHF in the control and treatment groups. Panel (b) shows the pro-campaign alignment on a 6-point Likert scale. Panel (c) shows the average intention to vote in favor of the climate law on a 7-point Likert scale. The bars indicate 95% confidence intervals.



(a) Net pro-campaign donation



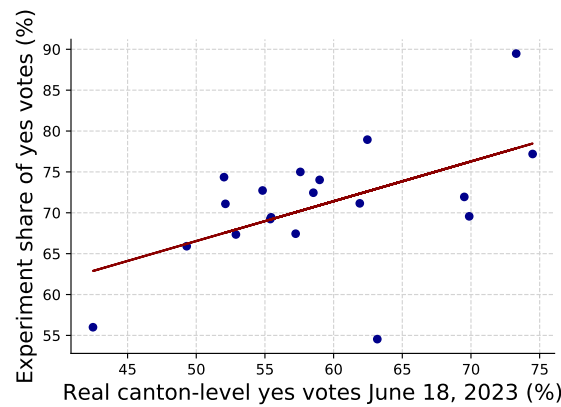
(b) Pro-campaign alignment



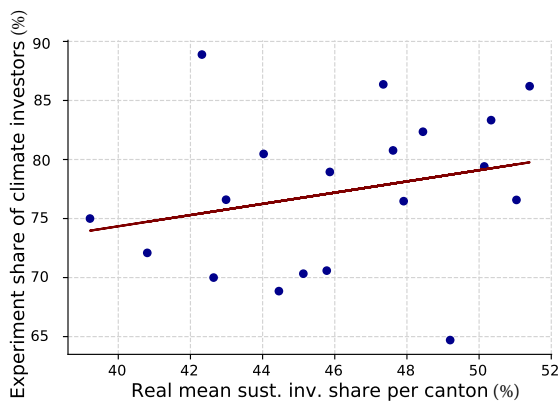
(c) Voting intention

Figure 4: Comparison with observational data: real vs. experiment behavior

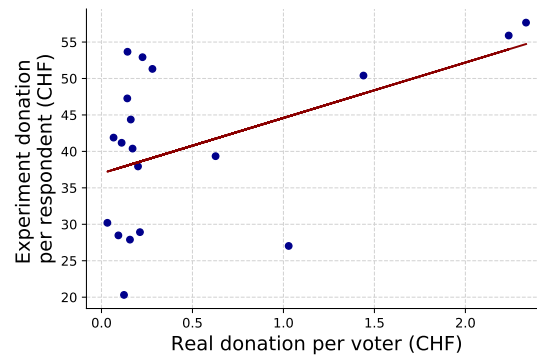
These figures show scatter plots comparing observational data and experimental data across cantons. Of the 26 Swiss Cantons, the graphs exclude seven with fewer than 15 respondents to our survey (Appenzell Innerrhoden, Appenzell Ausserrhoden, Glarus, Obwalden, Nidwalden, Schaffhausen, and Uri). Panel (a) shows the correlation between the share of respondents who indicated an intention to vote for the climate law ($Voting\ intention > 0$) averaged by canton and the official percentage of yes votes registered in the climate referendum on June 18, 2023, per canton ($p < 0.05$). The chart does not consider respondents who were undecided or did not disclose their voting intention. Panel (b) shows the correlation between the cantonal share of climate-conscious investors in the experiment and the average cantonal *Sustainable investing share* based on Raiffeisen client portfolios as of April 30, 2023 ($p = 0.29$). Panel (c) shows the correlation between cantonal averages (for the experiment normalized per respondent, for the real donations normalized per eligible voter) of the experimental variable *Donation* to the pro-campaign and the observational variable *Real donation* to the pro-campaign ($p < 0.05$).



(a)



(b)



(c)

Tables

Table 1: Demographics and political preferences by treatment group

This table presents the mean values of the demographic variables for our representative sample of the Swiss electorate in the treatment and control groups. The first two columns report the mean of the variables in the two groups; the third column reports the p -values of a Mann–Whitney U test on the difference between the two.

	Mean Values		Mann–Whitney U Test
	CONTROL ($n = 1030$)	TREATMENT ($n = 1021$)	(CONTROL = TREATMENT)
Age [years]	47.8	47.9	$p = .917$
Gender [%]:			
Female	49.7	50.0	$p = .913$
Male	49.9	49.9	$p = .982$
Other	0.4	0.2	$p = .420$
Highest education	Secondary	Secondary	$p = .297$
Income [CHF]	8,001–12,000	8,001–12,000	$p = .407$
Net worth [CHF]	250,000–1 M	250,000–1 M	$p = .781$
Municipality [%]:			
Rural	33.7	34.9	$p = .574$
Urban	66.3	65.1	$p = .574$
Language region [%]:			
German	70.6	70.7	$p = .948$
French	24.4	24.6	$p = .910$
Italian	5.0	4.7	$p = .715$
Political preference [left: –3, right: +3]	0.2	0.2	$p = .550$

Table 2: Sustainable investing and climate policy support

This table reports the effects of the treatment on our measures of climate policy support, as well as respondent investment decisions. For the variable *Net pro-campaign donation*, donations to the pro-campaign are scaled positive, and donations to the anti-campaign negative. The shares of participants donating to the pro-campaign and the anti-campaign are reported separately. For the variable *Pro-campaign alignment*, positive values indicate alignment with the pro-campaign, and negative values with the anti-campaign. For *voting intention* positive values indicate an intention to vote for the climate law, and negative values indicate an intention to vote against it. The first two columns report mean values of the variables by group; the third column reports p -values of a Mann–Whitney U test on the differences between the two treatments.

	Mean Values		Mann–Whitney U Test
	CONTROL ($n = 1030$)	TREATMENT ($n = 1021$)	(CONTROL = TREATMENT)
Climate policy support			
Net pro-campaign donation [CHF]	31.2	35.1	$p = 0.285$
Share of pro-campaign donors [%]	33.1	34.1	$p = 0.639$
Share of anti-campaign donors [%]	12.3	9.2	$p = 0.063$
Pro-campaign alignment [−2.5, 2.5]	0.531	0.669	$p = 0.079$
Voting intention [−3, 3]	0.793	0.950	$p = 0.142$
Investment decision			
Climate fund selected [%]	30.2	76.9	$p < 0.001$

Table 3: Treatment effect on campaign donations for subgroups

This table reports the effects of the treatment on net pro-campaign donations for subgroups of our sample. Regarding politics, the table reports the treatment effect for three subgroups along the political affiliations of respondents (politics: left, center, and right). Regarding outcome expectations, the table reports treatment effects for the subgroup of respondents who are certain about the outcome of the vote and those who are uncertain. Regarding past sustainable investments, the table reports the treatment effect for a subgroup of respondents who report that they have invested in sustainable investment products in the past and for a subgroup of respondents who report that they have not. The first two columns report mean net-donation values by group; the third column reports p -values of a Mann–Whitney U test on the differences between the two treatments.

	Mean Net Donation Values [CHF]		Mann–Whitney U Test
	CONTROL	TREATMENT	(CONTROL = TREATMENT)
Politics:			
Left ($n = 988$)	57.45	63.58	$p = 0.308$
Center ($n = 426$)	21.02	20.04	$p = 0.642$
Right ($n = 637$)	-2.33	0.75	$p = 0.650$
Expectation outcome vote:			
Certain ($n = 471$)	29.41	32.79	$p = 0.868$
Uncertain ($n = 1,580$)	31.81	35.75	$p = 0.262$
Past sustainable investments:			
Yes ($n = 782$)	44.99	48.66	$p = 0.556$
No ($n = 214$)	6.44	6.64	$p = 0.587$

Table 4: Perception of the climate fund within the treatment group

This table reports respondent perceptions of the climate fund for respondents in the treatment group. The table shows the mean values of the perception measures separately for respondents who chose the climate fund and respondents who did not, as well as for the two groups combined. For perceived climate impact, positive values indicate agreement with the statement that the fund makes a relevant contribution to climate protection. Positive values for risk expectations, return expectations, and positive emotions indicate that respondents state a more favorable view of the climate fund; negative values indicate a more favorable view of the conventional fund. ***, **, and * show that a Wilcoxon signed-rank test indicates that the population mean ranks are significantly different from zero at the 1%, 5%, and 10% levels, respectively.

	Investment in Climate Fund		
	YES ($n = 785$)	NO ($n = 236$)	TOTAL ($n = 1,021$)
Perceived climate impact $[-3, 3]$	1.03***	-0.20	0.74***
Risk expectations $[-3, 3]$	0.02	-0.41***	-0.08***
Return expectations $[-3, 3]$	-0.18***	-0.89***	-0.34***
Positive emotions $[-3, 3]$	1.56***	-0.42***	1.10***

Table 5: Climate policy support and investment decisions

This table shows the results of OLS regressions of individual climate policy support in the treatment group on an indicator equal to one for respondents who invested in the climate fund. All regressions also control for respondent demographic characteristics (age, gender, education, income, net worth, rural/urban area, and language region), and politics (politics: right and politics: left). *t* statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the coefficient estimate differs significantly from zero at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	Net pro-campaign donation (1)	Pro-campaign alignment (2)	Voting intention (3)
Investment in climate fund	38.75*** (6.76)	1.02*** (8.71)	1.13*** (6.52)
Observations	1,021	1,021	847
R-squared	0.16	0.30	0.32
Demographics	Yes	Yes	Yes
Political Preferences	Yes	Yes	Yes

Table 6: Climate policy support of climate-conscious investors

This table shows OLS regressions for the subsample of participants in the treatment group who chose to invest in the climate fund. We regress our measures of climate policy support on expected profitability, positive emotions, and perceived climate protection impact associated with the climate fund. All regressions also control for respondent demographic characteristics (age, gender, education, income, net worth, rural/urban area, and language region), and politics (politics: right and politics: left). *t* statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate differs significantly from zero at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	Net pro-campaign donation (1)	Pro-campaign alignment (2)	Voting intention (3)
Risk expectations	-2.47 (-0.81)	0.03 (0.70)	0.00 (0.04)
Return expectation	1.10 (0.39)	-0.10** (-2.31)	-0.10* (-1.95)
Positive emotions	8.51*** (2.67)	0.20*** (4.75)	0.28*** (4.85)
Perceived climate impact	5.19* (1.90)	0.09** (2.47)	0.12*** (2.70)
Observations	785	785	667
R-squared	0.15	0.28	0.34
Demographics	Yes	Yes	Yes
Political Preferences	Yes	Yes	Yes

Appendix

Table A1: Main variable definitions

This table describes the main variables used in the paper.

Variable	Description
Climate policy support	
<i>Net pro-campaign donation</i>	Amount (in CHF) donated to the pro-climate-law campaign (pro-campaign), given that the respondent's values align with it. Donations to the anti-climate-law campaign (anti-campaign) are coded as negative.
<i>Pro-campaign alignment</i>	Answer to the question "Which of the campaigns (better) represents your personal opinion?" on a 6-point Likert scale. Values are scaled from -2.5 (aligned with the anti-campaign) to $+2.5$ (aligned with the pro-campaign).
<i>Voting intention</i>	Answer to the question "Do you already know how you will vote on the referendum on the Federal Act on Climate Protection Targets, Innovation, and Strengthening Energy Security?" on a 7-point Likert scale (with the possibility of not disclosing the intention). Values are scaled from -3 (strong intention to vote against the climate law) to $+3$ (strong intention to vote for the climate law).
Financial expectations and impact perceptions	
<i>Treatment</i>	Indicator equal to 1 for respondents in the treatment group.
<i>Risk expectations</i>	Answer to the question "How do you assess the risk of Fund A and Fund B in comparison?" on a 7-point Likert scale. Values are scaled from -3 (an investment in the climate fund is much riskier) to $+3$ (an investment in the conventional fund is much riskier).
<i>Return expectations</i>	Answer to the question "What do you expect from Fund A and Fund B in terms of return?" on a 7-point Likert scale. Values are scaled from -3 (the conventional fund will achieve a much higher return) to $+3$ (the climate fund will achieve a much higher return).
<i>Positive emotions</i>	Answer to the question "How does it feel to invest in Fund A or Fund B in comparison?" on a 7-point Likert scale. Values are scaled from -3 (it feels much better to invest in the conventional fund) to $+3$ (it feels much better to invest in the climate fund).
<i>Investment in climate fund</i>	Indicator equal to 1 for respondents who invested in the climate fund and 0 for those who invested in the conventional fund.
<i>Perceived climate impact</i>	[For treatment group only] Agreement with the statement "An investment in the iShares MSCI World Paris-Aligned Climate ETF fund [Climate fund] makes a relevant contribution to climate protection" on a 7-point Likert scale. Values are scaled from -3 (strongly disagree) to $+3$ (strongly agree).
Political preferences and expectations	
<i>Political preference</i>	Answer to the question "Where do you place yourself on the political spectrum from left to right?" on a 7-point Likert scale. Values are scaled from -3 (right) to $+3$ (left).

<i>Politics: right</i>	Indicator equal to 1 if the respondent chooses -3 , -2 , or -1 on the Likert scale of political preferences, and 0 otherwise.
<i>Politics: left</i>	Indicator equal to 1 if the respondent chooses $+1$, $+2$, or $+3$ on the Likert scale of the political preference, and 0 otherwise.
<i>Expectation outcome vote</i>	Answer to the question “What do you think the Swiss electorate will decide in the vote on the ‘Federal Act on Climate Protection Targets, Innovation and Strengthening Energy Security’?” on a 7-point Likert scale. Values are scaled from -3 (“The law will certainly be rejected”) to $+3$ (“The law will certainly be adopted”).

Demographics

<i>Age</i>	Self-reported age in full years.
<i>Gender</i>	Self-reported gender.
<i>Male</i>	Indicator equal 1 for male respondents and 0 otherwise.
<i>Highest education</i>	Self-reported level of education.
<i>Higher education</i>	Indicator equal to 1 if the respondent reported a tertiary education and 0 otherwise.
<i>Income</i>	Self-reported personal monthly gross income, with options ranging from <i>up to CHF 2,000</i> to <i>More than CHF 20,000</i> in increments of <i>CHF 3,000</i> .
<i>Net worth</i>	Self-reported total liquid assets, with options being <i>Less than CHF 50,000</i> , <i>Between CHF 50,000 and 75,000</i> , <i>Between CHF 75,000 and 200,000</i> , <i>Between CHF 200,000 and 250,000</i> , <i>Between CHF 250,000 and 1 million</i> , and <i>More than CHF 1 million</i> .
<i>High income</i>	Indicator equal to 1 if the respondent reported an above-median income and 0 otherwise.
<i>Untold income</i>	Indicator equal to 1 if the respondent decided not to self-report the monthly income and 0 otherwise.
<i>High net worth</i>	Indicator equal to 1 if the respondent declared an above-median net worth and 0 otherwise.
<i>Untold net worth</i>	Indicator equal to 1 if the respondent chose <i>No indication</i> from the options for the self-reported net worth and 0 if any other category was chosen.
<i>Urban region</i>	The urban or rural status of the place of the respondent’s principal residence by population density.
<i>Language region</i>	The primary language in the respondent’s principal residence (German, French, or Italian) derived from the postal code indicated by the respondent.
<i>French speaking region</i>	Indicator equal to 1 if the primary language in the respondent’s municipality of residency is French and 0 otherwise.
<i>Italian speaking region</i>	Indicator equal to 1 if the primary language in the respondent’s municipality of residency is Italian and 0 otherwise.

Table A2: Treatment effect on climate policy support controlling for demographic characteristics

This table shows the results of OLS regressions of individual climate policy support on the treatment indicator. Columns 1–2 regress our main measure of political support for climate regulation, donations to the pro-climate-law campaign; columns 2–3 employ the stated alignment with the pro-climate-law campaign; columns 5 and 6 regress the intention to vote in favor of the climate law. Columns 2, 4, and 5 also control for various demographic characteristics. *t* statistics based on robust standard errors are shown in parentheses. ***, **, and * indicate that the parameter estimate differs significantly from zero at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	Net pro-campaign donation		Pro-campaign alignment		Voting intention	
	(1)	(2)	(3)	(4)	(5)	(6)
Treatment	3.84 (0.93)	4.38 (1.13)	0.14* (1.91)	0.15** (2.39)	0.16 (1.61)	0.17** (1.99)
Age		0.15 (1.22)		0.00** (2.11)		0.01* (1.81)
Male		6.00 (1.49)		0.00 (0.01)		0.04 (0.48)
Higher education		25.34*** (5.87)		0.56*** (8.27)		0.57*** (6.38)
High income		3.89 (0.83)		-0.12 (-1.50)		-0.13 (-1.19)
Untold income		-2.80 (-0.34)		-0.24 (-1.58)		-0.38* (-1.74)
High net worth		11.26** (2.30)		0.28*** (3.55)		0.38*** (3.69)
Untold net worth		-3.53 (-0.45)		-0.03 (-0.19)		-0.01 (-0.06)
Urban region		13.47*** (3.28)		0.22*** (3.17)		0.28*** (2.99)
French speaking region		-6.13 (-1.37)		-0.10 (-1.24)		0.02 (0.21)
Italian speaking region		-19.18** (-2.25)		-0.26 (-1.57)		-0.23 (-1.14)
Politics: left		37.18*** (7.77)		0.91*** (10.77)		1.27*** (11.03)
Politics: right		-24.93*** (-4.90)		-0.66*** (-6.90)		-0.76*** (-5.71)
Constant	31.24*** (10.48)	-13.46* (-1.74)	0.53*** (10.20)	-0.30** (-2.26)	0.79*** (11.33)	-0.34* (-1.90)
Observations	2,051	2,051	2,051	2,051	1,726	1,726
R^2	0.00	0.13	0.00	0.24	0.00	0.26

Table A3: Treatment effect heterogeneity along political preferences

This table shows the results of OLS regressions testing the cross-sectional heterogeneity of the treatment effect on climate policy support based on respondents' political affiliations. t statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate differ significantly from zero at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	Net pro-campaign donation		Pro-campaign alignment		Voting intention	
	(1)	(2)	(3)	(4)	(5)	(6)
Treatment	2.52 (0.61)	-0.98 (-0.13)	0.10 (1.57)	0.13 (0.84)	0.12 (1.34)	0.09 (0.42)
Politics: left	48.21*** (9.60)	45.77*** (6.21)	1.18*** (13.84)	1.22*** (9.86)	1.52*** (13.14)	1.51*** (9.03)
Politics: right	-21.31*** (-4.25)	-23.35*** (-3.12)	-0.62*** (-6.25)	-0.64*** (-4.52)	-0.68*** (-5.02)	-0.71*** (-3.63)
Treatment × Politics: left		4.85 (0.48)		-0.09 (-0.50)		0.02 (0.10)
Treatment × Politics: right		4.06 (0.40)		0.05 (0.24)		0.06 (0.21)
Constant	19.25*** (4.47)	21.02*** (3.80)	0.26*** (3.22)	0.25** (2.34)	0.38*** (3.36)	0.40*** (2.64)
Observations	1,909	1,909	1,909	1,909	1,659	1,659
R^2	0.11	0.11	0.24	0.24	0.25	0.25

Table A4: Decision to invest in the climate fund

This table reports the results of Logit regressions of the decision to invest in the climate fund in the treatment group on respondents' financial expectations about the climate fund, their perceptions of the climate fund's climate protection benefits, and their political affiliations. All regressions also control for respondents' demographic characteristics (age, gender, education, income, net worth, rural/urban area, and language region). *t* statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate differs significantly from zero at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	Investment in climate fund		
	(1)	(2)	(3)
Risk expectations	0.40*** (3.66)		0.40*** (3.58)
Return expectation	0.62*** (5.52)		0.61*** (5.46)
Positive emotions	1.07*** (11.09)		1.06*** (10.82)
Perceived climate impact	0.45*** (6.55)		0.45*** (6.42)
Politics: left		0.88*** (4.32)	0.57** (2.27)
Politics: right		-0.24 (-1.22)	-0.25 (-0.98)
Observations	1,021	1,021	1,021
Pseudo-R-squared	0.41	0.05	0.42
Demographics	Yes	Yes	Yes

Table A5: Observational variables definitions

This table describes the additional observational variables used in Section 4.3.

Variable	Description	Mean	Std
<i>Municipal yes votes</i>	Percentage of voters who voted “yes” on the adoption of the Climate and Innovation Act on June 18, 2023. Aggregated at the municipality level including 1,911 municipalities from a total of 2,136 Swiss municipalities. ²²	56.60	6.90
<i>Real donation</i>	Real donations to the pro-climate-regulation campaign (17 March to 18 June, N = 9,252), in CHF. These data were provided by the pro-climate-regulation campaign. Values in parentheses are based on the winsorized data (at 250).	270.24 (75.25)	5,702.38 (57.96)
<i>Sustainable investing share</i>	Value-weighted percentage (%) of sustainable investments in investment accounts of Raiffeisen Switzerland (N = 112,837). Sustainability is determined based on an internal procedure using third-party ratings. Cash is never considered sustainable.	45.30	33.70
<i>Age</i>	Indicated age of the investment account holder. Linearized as the mean of the bins: ≤ 25 , $25-34$, $35-44$, $45-54$, $55-64$, $65-74$, and ≥ 75 . Observations with unreported age are omitted.	63.33	15.53
<i>Account volume</i>	Total volume of assets in a given account, including liquidity, in thousands of Swiss francs. Linearized as the mean of the bins: $1-35$, $35-80$, $80-150$, $150-300$, $300-1000$, and ≥ 1000 . Observations with empty accounts are omitted.	188.94	332.69
<i>Male</i>	Indicator variable that is equal to 1 for male account holders; here in percentages. (%)	51.70	50.00

²²Source of municipal data: <https://swissvotes.ch/vote/663.00>

Table A6: Municipal vote results on the climate law and sustainable investing

This table shows the OLS estimates of regressing the percentage of Yes votes registered in the climate referendum on June 18, 2023, per municipality on average share of sustainable investments (*Sustainable investing share*) in the portfolios of Raiffeisen clients per municipality as of April 30, 2023. Variables are aggregated at the municipality level. Original variable description can be found in Table A5. *t* statistics are reported in parentheses. ***, **, and * indicate that the parameter estimate differs significantly from zero at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	Municipal Yes votes (%)	
	(1)	(2)
(Mean) Sust. investing share	9.13*** (4.14)	6.81*** (3.21)
(Mean) Account volume		0.01*** (4.37)
(Mean) Client age		0.31*** (5.54)
Share of men		-15.64*** (-8.79)
Observations	1,911	1,911
R^2	0.01	0.09

Figure A1: Investment Stage: Control group

This figure displays the information shown to the respondents in the control group when they are asked to invest CHF 1,000 (USD 1,100).

Performance of CHF 100



Fund A

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
 Fund Volume: CHF 0.1 billion
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months	6 months	12 months
+4.91%	+8.31%	-10.44%

Top 3 regions of the companies

Region	%
USA	66.4
Europe (Euro countries)	9.5
Europe (excl. Euro countries)	7.3

Fund B

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
 Fund Volume: CHF 47 billion
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months	6 months	12 months
+4.09%	+9.11%	-8.08%

Top 3 regions of the companies

Region	%
USA	66.7
Europe (Euro countries)	9.3
Japan	6.2

Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

Data sources: Morningstar, Fund Manager

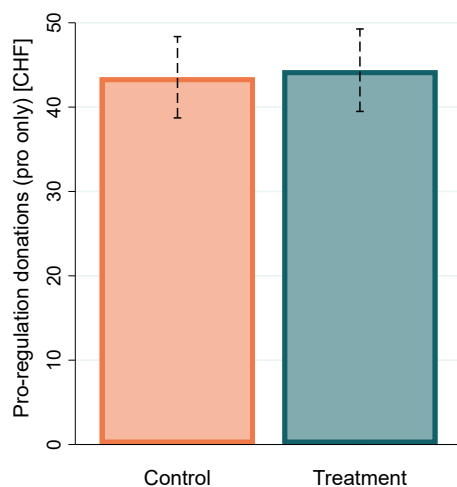
Figure A2: Investment Stage: Treatment group

This figure displays the information shown to the respondents in the treatment group when they are asked to invest CHF 1,000 (USD 1,100). In addition to the information shown in the control group, we reveal the climate focus of Fund A and add explicit climate impact metrics for both funds.

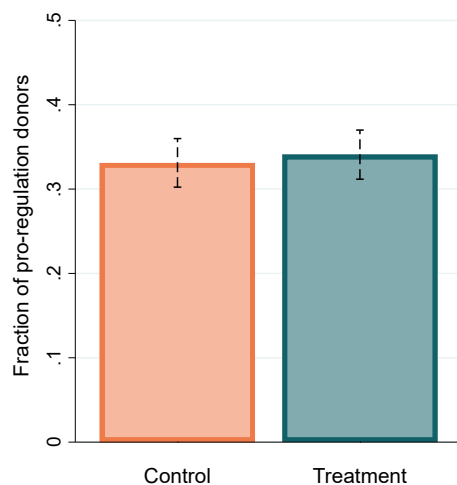


Figure A3: Donations to the pro-climate law campaign

These figures show the effective donations to the pro-climate law campaign. Panel (a) shows the average pro-campaign donation in CHF for the control and treatment groups. Panel (b) shows the share of respondents in the control and treatment groups who donated to the pro-campaign. The bars indicate 95% confidence intervals.



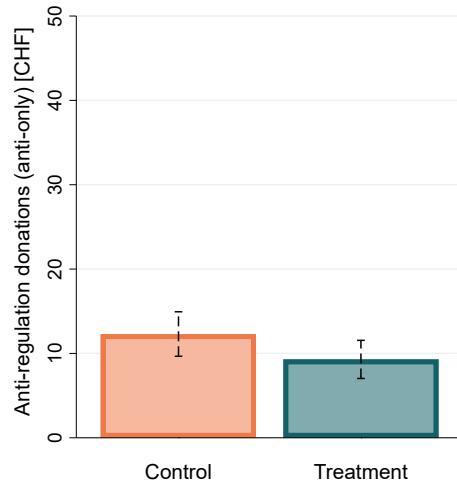
(a) Pro-campaign donation, CHF



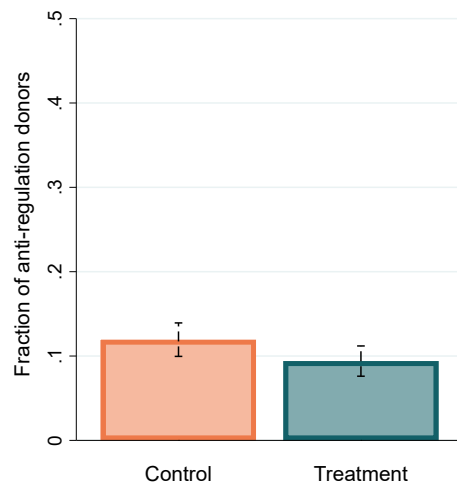
(b) Pro-campaign donation, Share

Figure A4: Donations to the anti-climate law campaign

These figures show the effective donations to the anti-climate regulation committee. Panel (a) shows the average anti-campaign donation in CHF for the control and treatment groups (coded using a minus sign). Panel (b) shows the share of respondents in the control and treatment groups who donated to the anti-campaign. The bars indicate 95% confidence intervals.



(a) Anti-campaign donations, CHF



(b) Anti-campaign donation, Share

A Internet Appendix

The internet appendix presents an English version of the questionnaire used for our experiment. The survey was run in the three official Swiss languages: German, French, and Italian.

1 Reception

This survey is part of a research project on investment decisions and preferences. It is being conducted jointly by the University of St. Gallen, the University of Zurich, and MIT Sloan.

Your answers will be treated anonymously and confidentially and cannot be linked to you personally. Your participation is voluntary, and you can leave the survey at any time. By clicking "Continue", you confirm that you are of legal age, that you are voluntarily participating in this survey, and that you agree to consent to your answers being used for scientific purposes. During the course of the study, you will have the opportunity to invest real money, which will be made available to you, in an investment option. You do not need any experience in investments to do this. The money invested, including any returns, can - with a bit of luck - be paid out personally (Drawing of the winners).

Please read all the instructions carefully and take enough time to answer as you would in "real life".

It takes about 15 minutes to complete the survey.

2 Screening

Q1 Age - All

How old are you?

Q2 Postcode - All

What is the postcode of your principal residence?

Q3 Gender - All

Please indicate your gender:

1. Male
2. Female
3. Other

3 Investment Stage

Q4 Fund - All

Do you currently have money invested in investment funds?

Infobox

Investment funds are a category of investment transactions. Payments made by many individual investors are invested according to a defined strategy. Depending on the strategy, the fund assets are invested by investment experts on the international securities markets in shares, bonds, and other investments (e.g., real estate, precious metals).

1. yes
2. no
99. no indication

Group Randomisation into 4 groups (1A 1B 2A 2B)

Structurally identical samples

4 Performance 1 - All

Text

Below we will provide information on two investment funds (Fund A and Fund B).

Subsequently, you can **invest** an amount of CHF 1,000 in **Fund A or Fund B**. This amount will be placed at your disposal.

After the completion of this study, we will draw 10 participants at random. **If you are one of the winners**, the sponsor of this study will **make a real investment of CHF 1,000 in the fund** you have chosen. After one year, the investment will be sold at the current market value, and the proceeds will be paid out to you.

So note that your decisions - should you be one of these drawn winners - will trigger real investments and have a direct impact on your payout amount.

Factsheets and questions Q5-Q8 on the same page.

Text

Please read the information on Fund A and Fund B carefully.

Here TREATMENT or CONTROL

Text

To ensure that you have read and correctly understood the descriptions, please answer the following questions.

Q5 Fund A - All

What is the return over the last 6 months for **Fund A**?

1. +4.09%
2. +4.91%
3. +8.31%
4. +9.11%
99. don't know

Q6 Fund B - All

What is the return over the last 6 months for **Fund B**?

1. +4.09%
2. +4.91%
3. +8.31%
4. +9.11%
99. don't know

If Sample = TREATMENT / resp. hide if Sample CONTROL

Q7 Fund A - if Group 2A [Group = 2A] or if Group 2B [Group = 2B]

What is the expected temperature increase for Fund A?

1. 1.5-2°C
2. 1.5-2.5 °C
3. 2-3°C
4. 3-4°C
99. don't know

Q8 Fund B - if Group 2A [Group = 2A] or if Group 2B [Group = 2B]

What is the expected temperature increase for Fund B?

1. 1.5-2°C
2. 1.5-2.5 °C
3. 2-3°C
4. 3-4°C
99. don't know

5 Performance 2 - if not correct answer

Text

Unfortunately, some of your answers were incorrect or you selected the option "Don't know". Please read the information again carefully and answer the questions again.

[Questions Q8-Q12 on same page]

Q5 Fund A - All

What is the return over the last 6 months for Fund A?

- 1. +4.09%
- 2. +4.91%
- 3. +8.31%
- 4. +9.11%
- 99. don't know *[grey out]*

Q6 Fund B - All

What is the return over the last 6 months for Fund B?

- 1. +4.09%
- 2. +4.91%
- 3. +8.31%
- 4. +9.11%
- 99. don't know *[grey out]*

If Sample = TREATMENT

Q7 Fund A

What is the expected temperature increase for Fund A?

- 1. 1.5-2°C
- 2. 1.5-2.5 °C
- 3. 2-3°C
- 4. 3-4°C
- 99. don't know

Q8 Fund B

What is the expected temperature increase for Fund B?

- 1. 1.5-2°C
- 2. 1.5-2.5 °C
- 3. 2-3°C
- 4. 3-4°C
- 99. don't know

6 Investment Stage

Q9 Investment Decision - All

You can now invest CHF 1,000. In which fund would you like to invest this amount?

Infobox

After the completion of this study, we will draw 10 participants at random. **For the winners, a real investment of CHF 1,000 will be made** by the client of this study in the **fund** you have chosen. After one year, the investment will be sold at the current market value and the proceeds will be paid out to them.

So note that your decisions - should you belong to these drawn winners - trigger real investments and directly affect their payout amount.

1. Fund A
2. Fund B

7 Political Stage

Text - All

In the next part of the survey, we are interested in your opinion about an upcoming political event.

On 18 June 2023, the Swiss electorate will vote on a new law: The "**Federal Act on Climate Protection Goals, Innovation and Strengthening Energy Security**".

This Act aims to achieve the following objectives:

- The reduction of greenhouse gas emissions and application of negative emission technologies
- Adaptation to and protection from the impacts of climate change
- Targeting financial flows toward low-emission and climate change-resilient development
- Replacing fossil-fuelled heating systems and electric heating systems with heat generation from renewable energies and energy efficiency measures

These targets are in line with the international climate targets set in Paris. Overall, the Confederation shall ensure that the impact of man-made greenhouse gas emissions in Switzerland is zero by 2050 (net zero target).

Text box

In the run-up to the vote, **two committees hold opposing views** on this law. Below we show you the main arguments of the Yes and the No committees. Please read them carefully.

Text No Committee - All



The committee "Electricity-eater-law NO" is campaigning for the **rejection** of the law.

Arguments of the committee "Electricity-eater-law NO":

- **Exploding electricity prices:** With this law, electricity and energy become a luxury for the rich. Industry has to limit its production or relocate abroad. Homeowners will have to invest massively, and flat rents will rise.
- **Phase-out without a plan:** This extreme law leads to a de facto ban on fossil fuels such as heating oil, petrol, diesel and gas. This without a plan on how to produce enough affordable electricity for electric cars, heat pumps, etc.
- **Security of supply at risk:** The haphazard phase-out endangers our security of supply! We will become even more dependent on the weather and resources from abroad.

Text Yes Committee - All



The committee "Climate Protection Law YES" is campaigning for the law to be **adopted**.

Arguments of the committee "Climate Protection Law YES":

- **Doing nothing exacerbates climate damage - the consequential costs are rising:** The longer we wait, the worse the damage from climate change will become. If we invest in climate protection today, we will save a lot of money in the future.
- **With the climate targets, Switzerland is taking responsibility:** Switzerland is setting itself climate targets and freeing itself from dependence on oil and gas from abroad. In this way, we are taking responsibility for future generations.
- **Tackling climate protection, seizing opportunities:** The Climate Protection Act promotes innovative technology for climate protection. This generates added value at home and markets for the export industry.

Q10 Support - All

Which of the committees (rather) represents your personal opinion?

The Committee "Electricity-eater-law NO" Committee					The "Climate Protection Law YES" Committee
1	2	3	4	5	6

If Q10 <= 3.

Q11.B Support - [If Q10 = 1, 2 or 3]

You now have the opportunity to support the committee "Electricity-eater-law NO" with a donation of up to CHF 250.

A donation enables the No Committee to take various measures to convince voters of their arguments before the vote. The committee uses your donation, for example, to distribute flyers, place advertisements or put up posters.

Note: If you are one of the ten winners for whom we invest CHF 1,000, we will donate the selected amount immediately. We will later deduct the donation amount from the payout to you.

How much CHF would you like to donate to the "Stromfresser-Gesetz NEIN" committee?

Type in the desired CHF amount.

If Q10 >= 4.

Q11.A Support - [If Q10 = 4, 5 or 6]

You now have the opportunity to support the committee "Climate Protection Law YES" with a donation of up to CHF 250.

A donation enables the Yes Committee to take various measures to convince voters of their arguments before the vote. The committee uses your donation, for example, to distribute flyers, place advertisements, or put up posters.

Note: If you are one of the ten winners for whom we invest CHF 1,000, we will donate the selected amount immediately. We will later deduct the donation amount from the payout to you.

How much CHF would you like to donate to the "Climate Protection Law YES" committee?

Type in the desired CHF amount.

Q12 Voting - All

Do you already know how you will vote on the referendum on the "Federal Act on Climate Protection Targets, Innovation, and Strengthening Energy Security"?

I will vote for the law						I will vote against the law
1	2	3	4	5	6	7

97. I will not vote.

98. I am not entitled to vote.

99. not specified

Q13 Reconciliation Forecast All

How do you think the Swiss electorate will decide in the vote on the "Federal Act on Climate Protection Targets, Innovation and Strengthening Energy Security"?

Likert Scale:

1. the law will certainly be adopted.

(2 -6)

7. the law will certainly be rejected.

8 Survey Stage

If Sample = TREATMENT

Q14 Impact Expectations Fund

Text

Below you can see the two funds again:

Question

How strongly do you agree with the following statement?

"An investment in the iShares MSCI World Paris Aligned Climate ETF (*Fund A/B*) fund makes a relevant contribution to climate protection."

Likert Scale:

1. do not agree at all

(2. - 6.)

7. fully agree

Q15 Expectations Risk - All

How do you assess the risk of Fund A and Fund B in comparison?

An investment in Fund A is much riskier.						An investment in Fund B is much riskier.	Can't judge
1	2	3	4	5	6	7	99

Q16 Expectations Return - All

What do you expect from Fund A and Fund B in terms of return?

Fund A will achieve a much higher return.						Fund B will achieve a much higher return.	Can't judge
1	2	3	4	5	6	7	99

Q17 Feeling - All

How does it feel to invest in fund A or fund B in comparison?

It feels much better to invest in fund A .						It feels much better to invest in fund B .	Can't judge
1	2	3	4	5	6	7	99

9 Survey Stage (Political Orientation)

Q18 Vote - All

Where do you place yourself on the political spectrum from left to right?

Likert Scale:

1. Left

(2-6)

7. Right

99. not specified

Q19 Party - All

Which party or parties did you vote for in the last National Council elections (2019)?

1. Swiss People's Party (SVP)
- 2nd Social Democratic Party (SP)
3. FDP. Die Liberalen.
- 4th Green Party of Switzerland (GPS)
5. Christian Democratic People's Party (CVP)
6. green liberal party (GLP)
- 7th Evangelical People's Party (EPP)
8. civic democratic party (BDP)
9. federal democratic union (EDU)
- 10 Lega dei Ticinesi
- 11 Ensemble à Gauche
- 12th Party of Labour Switzerland (PDA)
98. others: *[text box]*
99. I have not voted.
100. i am not eligible to vote.
- 101 I can't remember.
102. no indication

Q20 Votes - All

How have you voted on environmental issues in past votes?

1. Vote on the revised CO2 Act (13 June 2021)
2. Popular Initiative for Responsible Business - to Protect People and the Environment (Corporate Responsibility Initiative) (29 November 2020)
3. Popular Initiative for Clean Drinking Water and Healthy Food (Drinking Water Initiative) (13 June 2021)

[in columns]

1. In favour [Yes]
2. Against [No]
3. Included / not voted
97. I am not entitled to vote.
98. I can't remember.
99. no indication

10 Survey Stage (Statistics)

Text - All

Finally, we would have some statistical questions.

Q21 Sustainable investment products - All

Are you currently investing in sustainable investment products?

1. yes, I invest **all my assets** exclusively in sustainable investment products
2. yes, I invest a **substantial part of my assets** in sustainable investment products
3. yes, I invest a **small part of my assets** in sustainable investment products
4. no, I do **not** invest in **sustainable** investment products
98. don't know
99. No information.

Q22 Assets - All

In which asset class do your personal liquid assets fall?

Infobox

Liquid assets are amounts that you have invested in accounts or securities and that are in your name. They do not include real estate, tied pension assets and insurance policies that are only available in the long term.

Single Choice

1. less than CHF 50,000
2. between CHF 50,000 and 75,000
3. between CHF 75,000 and 200,000
4. between CHF 200,000 and 250,000
5. between CHF 250,000 and 1 million
6. over CHF 1 million
99. no indication

Q23 Gross income - All

In which income class does your **personal monthly gross income** fall?

Info:

Pension benefits are also considered income.

Single Choice

1. up to CHF 2'000
2. CHF 2'001 - CHF 5'000
3. CHF 5'001 - CHF 8'000
4. CHF 8'001 - CHF 12'000
5. CHF 12'001 - CHF 16'000
6. CHF 16'001 - CHF 20'000
7. over CHF 20,000
98. don't know
- 99 No specification

Q24 Interest in investment topics

How interested are you in the topic of investing or investment transactions?

Single Choice

1. I am not interested at all
(2-6)
7. I am very interested

Q25 Education - All

What is the highest education you have completed with a certificate or diploma?

1. compulsory school (primary, secondary, Real- district school, Pro-, Untergymnasium)
2. vocational apprenticeship or full-time vocational school (for example, commercial school, school for nursing, school for medical assistants, school for nurses, training workshop)
3. baccalaureate school, primary teacher training
4. higher technical or vocational training (e.g., master craftsman's diploma, higher technical examination, federal certificate)
5. university of applied sciences (formerly, for example, HTL/HWV/HKG)
6. university, ETH
7. other training
8. no school education or vocational training

11 Closing

You have now reached the end of the questionnaire. Thank you very much for your participation.

If you are drawn, and you are one of the winners, we will contact you in June 2023.

Factsheet 1A

Performance of CHF 100



Fund A

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
 Fund Volume: CHF 0.1 billion
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
 +4.91% +8.31% -10.44%

Top 3 regions of the companies

Region	%
USA	66.4
Europe (Euro countries)	9.5
Europe (excl. Euro countries)	7.3

Fund B

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
 Fund Volume: CHF 47 billion
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
 +4.09% +9.11% -8.08%

Top 3 regions of the companies

Region	%
USA	66.7
Europe (Euro countries)	9.3
Japan	6.2

Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

Data sources: Morningstar, Fund Manager

Factsheet 1B:

Performance of CHF 100



Fund A

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Shares
 Fund Volume: CHF 47 billion
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
 +4.09% +9.11% -8.08%

Top 3 regions of the companies

Region	%
USA	66.7
Europe (Euro countries)	9.3
Japan	6.2

Fund B

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Shares
 Fund Volume: 0.1 billion CHF
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
 +4.91% +8.31% -10.44%

Top 3 regions of the companies

Region	%
USA	66.4
Europe (Euro countries)	9.5
Europe (excl. Euro countries)	7.3

Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

Data sources: Morningstar, Fund Manager

Factsheet 2A:

Performance of CHF 100



Fund A
iShares MSCI World Paris-Aligned Climate ETF

Description
The fund invests passively in a broadly diversified set of companies worldwide that share the Paris climate goals.

Fund information
Fund Category: Global Equity
Fund Volume: CHF 0.1 billion
Cost per year: 0.20 %
Risk class: 1-2-~~3~~-4-5

Return (over last months)
3 months 6 months 12 months
+4.91% +8.31% -10.44%

Top 3 regions of the companies %
USA 66.4
Europe (Euro countries) 9.5
Europe (excl. Euro countries) 7.3

Sustainability
CO₂ footprint of companies
(tons CO₂ /million CHF)
0 50 100 150 200
37

Expected global warming
1.5-2° C

Fund B
iShares MSCI World ETF

Description
The fund invests passively in a broadly diversified set of companies worldwide.

Fund information
Fund Category: Global Equity
Fund Volume: CHF 47 billion
Cost per year: 0.20 %
Risk class: 1-2-~~3~~-4-5

Return (over last months)
3 months 6 months 12 months
+4.09% +9.11% -8.08%

Top 3 regions of the companies %
USA 66.7
Europe (Euro countries) 9.3
Japan 6.2

Sustainability
CO₂ footprint of companies
(tons CO₂ /million CHF)
0 50 100 150 200
139

Expected global warming
2-3° C

Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

CO₂ footprint: Measures the greenhouse gas emissions of the companies in the fund relative to their sales. High values indicate high CO₂ emissions.

Expected global warming: Measures the alignment of the companies in the fund with the Paris Agreement. This envisages limiting global warming to 2°C. Values above 2°C indicate that companies do not support this target.

Data sources: Morningstar, Fund Manager

Factsheet 2B:

Performance of CHF 100



Fund A 
iShares MSCI World ETF

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
Fund Volume: CHF 47 billion
Cost per year: 0.20 %
Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
+4.09% +9.11% -8.08%

Top 3 regions of the companies %

USA 66.7
Europe (Euro countries) 9.3
Japan 6.2

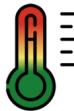
Sustainability

CO₂ footprint of companies

(tons CO₂ /million CHF)
0 50 100 150 200
 139

Expected global warming

2-3° C



Fund B 
iShares MSCI World Paris-Aligned Climate ETF

Description

The fund invests passively in a broadly diversified set of companies worldwide that share the Paris climate goals.

Fund information

Fund Category: Global Equity
Fund Volume: CHF 0.1 billion
Cost per year: 0.20 %
Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
+4.91% +8.31% -10.44%

Top 3 regions of the companies %

USA 66.4
Europe (Euro countries) 9.5
Europe (excl. Euro countries) 7.3

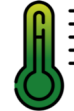
Sustainability

CO₂ footprint of companies

(tons CO₂ /million CHF)
0 50 100 150 200
 37

Expected global warming

1.5-2° C



Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

CO₂ footprint: Measures the greenhouse gas emissions of the companies in the fund, relative to their sales. High values indicate high CO₂ emissions.

Expected global warming: Measures the alignment of the companies in the fund with the Paris Agreement. This envisages limiting global warming to 2°C. Values above 2°C indicate that companies do not support this target.

Data sources: Morningstar, Fund Manager

Swiss Finance Institute

Swiss Finance Institute (SFI) is the national center for fundamental research, doctoral training, knowledge exchange, and continuing education in the fields of banking and finance. SFI's mission is to grow knowledge capital for the Swiss financial marketplace. Created in 2006 as a public-private partnership, SFI is a common initiative of the Swiss finance industry, leading Swiss universities, and the Swiss Confederation.